BUDGET RESOLUTION/Tobacco Taxes for Medicare Prescription Drugs

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 2000-2009 . . . S.Con. Res. 20. Wyden motion to waive the Budget Act for the consideration of the Snowe/Wyden amendment No. 232.

ACTION: MOTION REJECTED, 54-44

SYNOPSIS: As reported, S.Con. Res. 20, the Senate Concurrent Budget Resolution for fiscal years 2000-2009: will cut the debt held by the public (money that the Federal Government owes to creditors other than itself) in half over 10 years; will fully fund Medicare (all of the President's proposed \$9 billion in Medicare cuts were rejected; as a result, this budget will allow \$20.4 billion more in Medicare spending over the next 10 years); will save the entire \$1.8 trillion in Social Security surpluses over the next 10 years for Social Security; will provide for \$778 billion in net tax relief over the next 10 years (in contrast, the President's budget would increase the tax burden by \$96 billion net over 10 years), and will adhere to the spending restraints (discretionary spending caps and pay-go provisions) of the bipartisan budget agreement as enacted in the Balanced Budget Act of 1997 and the Taxpayer Reform Act of 1997 (the President's proposed budget, in contrast, would dramatically increase spending in violation of that bipartisan agreement, and would result in \$2.2 trillion more in total Federal debt at the end of 10 years than proposed in this Senate budget).

The Snowe/Wyden amendment would amend the Medicare reserve fund language in the resolution (section 209). That language will allow adjustments to be made to the functional totals to accommodate the passage of legislation that will significantly extend the solvency of the Medicare Hospital Insurance Trust Fund (Part A), provided that legislation does not transfer new subsidies to that trust fund, and provided that legislation does not cause an on-budget deficit in the years scored by the resolution. Such legislation may provide a new Medicare prescription drug benefit. The Snowe/Wyden amendment would add that the ban on such legislation using new subsidies would not apply to subsidies from new taxes imposed on tobacco products.

Senator Bunning raised a point of order that the amendment violated section 305 of the Budget Act (the germaneness requirement). Senator Wyden then moved to waive the Budget Act for the consideration of the amendment. Generally, those

(See other side)

YEAS (54)				NAYS (44)			NOT VOTING (2)	
Republicans	Democrats (42 or 93%)		Republicans (41 or 77%)		Democrats (3 or 7%)	Republicans Democrats		
(12 or 23%)						(2)	(0)	
Abraham Bennett Chafee Collins DeWine Hatch Hutchison Jeffords Santorum Smith, Gordon Snowe Specter	Akaka Baucus Biden Bingaman Boxer Breaux Bryan Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Feingold Feinstein Graham Harkin Hollings Inouye Johnson	Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Moynihan Murray Reed Reid Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden	Allard Ashcroft Bond Brownback Bunning Burns Campbell Cochran Coverdell Craig Crapo Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grassley Gregg Hagel	Helms Hutchinson Inhofe Kyl Lott Lugar Mack McConnell Murkowski Nickles Roberts Roth Sessions Shelby Smith, Bob Stevens Thompson Thurmond Voinovich Warner	Bayh Edwards Robb	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent nced Yea nced Nay Yea	

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favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act. After the vote, the point of order was upheld and the amendment thus fell.

Those favoring the motion to waive contended:

The resolution before us contains a reserve fund for Medicare reform legislation. Part of that reserve fund will allow for the funding of a new Medicare prescription drug benefit. However, no funding mechanism is identified for giving that new benefit. If reform legislation does not result in enough savings, and if giving the benefit will use up the on-budget surplus, then giving that benefit will not be permitted. Therefore, we have offered this amendment. It would allow revenues from new tobacco taxes to be used to pay for the benefit as well as for Medicare reform. We think that making this link is appropriate, because tobacco-related illnesses cost Medicare more than \$25 billion per year. Medicare is going broke. We should act as soon as possible to strengthen it. We should also give a prescription drug benefit as soon as possible, because drugs are increasingly unaffordable for many senior citizens on Medicare. This amendment identifies an appropriate funding source for both purposes. We urge our colleagues to waive the Budget Act for its consideration.

No arguments were expressed in opposition to the motion to waive.